



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 2114 (1955)

July 18, 1990

SUBJECT: Transfers of Farm Inventory Property to Federal or  
State Agencies for Conservation Purposes

TO: State Directors, District Directors, and County  
Supervisors

PURPOSE/INTENDED OUTCOME:

The purpose of this AN is to outline FmHA policy in transferring farm inventory property to a Federal or State agency for conservation purposes. The AN also outlines the information needed by the National Office to authorize a transfer. The intent is to clarify Section 1955.139(c) of FmHA Instruction 1955-C, ensuring a consistent approach in transferring property for conservation purposes.

IMPLEMENTATION RESPONSIBILITIES:

Section 1955.139(c) of FmHA Instruction 1955-C states that suitable and surplus farm inventory property may be transferred to a Federal or State agency for conservation purposes. FmHA will process such requests under the following guidelines:

A. Property Disposition.

Property ELIGIBLE for transfer in accordance with Section 1955.139(c) of FmHA Instruction 1955-C may be transferred in accordance with the following guidelines:

1. Transfers will only be considered after all leaseback/buyback and homestead protection rights are exhausted.
2. The U. S. Fish and Wildlife Service (FWS) will indicate its interest in a property as part of its environmental evaluation. FWS will be responsible for notifying other Agencies which may have an interest in the property.
3. Once priority leaseback/buyback and homestead protection rights have expired, FmHA will notify FWS and Agencies which have expressed interest in the property. FmHA will permit the interested Agency to apply for transfer

EXPIRATION DATE: July 31, 1991

FILING INSTRUCTIONS:  
Preceding FmHA  
Instruction 1955-C



Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250

prior to the parcel being offered for sale as either suitable or surplus. If appropriate, the requesting Agency may split its request for a suitable property into two stages: Stage 1 would cover that portion determined to be of MAJOR importance, and which the requesting Agency believes qualifies for immediate transfer, as outlined in paragraphs 4 and 5 below. Stage 2 would cover that portion qualifying for transfer after FmHA has attempted to sell it, as outlined in paragraph 7 below.

4. When the requirements of paragraph 1 have been met, suitable property which is of MAJOR importance, as set forth in this AN's Attachment, will be transferred to the requesting Agency without advertising it for sale. If such property has been processed for sale prior to the receipt of the AN, the sale process will be suspended if the property has not been publicly advertised for sale. If the property has been advertised for sale to the public and FmHA is in the process of accepting offers, the Administrator should be contacted for further guidance.
5. When a portion of a suitable property is of MAJOR importance, the State Director may request authorization from the Administrator to subdivide the farm and transfer that portion without advertising it for sale. FmHA reserves the right to determine whether the property will be subdivided.
6. Surplus property will be transferred to a requesting Agency without advertising.
7. When Agencies have expressed an interest in suitable property that is NOT of MAJOR importance, FmHA will offer such property for sale at least one time within 6 months from the date FmHA gains the ability to dispose of the property by sale or transfer. This date should be immediately posted in item number 7 of Form FmHA 1955-3A to update the inventory tracking system. After the expiration of this 6-month period, if the property is not sold, FmHA will transfer all or that portion of the property which meets the requirements of Section 1955.139(c) of FmHA Instruction 1955-C.

Properties that FmHA had the ability to dispose of for more than 6 months as of the date of this AN will be processed in two classes as follows:

- a. Properties which have not yet been advertised for sale will have their 6-month period begin as of the date of this AN.
- b. Properties that have been advertised for sale to family-sized farmers will be transferred with no

additional sales attempt if no acceptable offers were received.

8. If there is no request for transfer of suitable property within the time frame of paragraph 7 above, FmHA will continue to advertise the property as set forth in Section 1955.107 of FmHA Instruction 1955-C. If a transfer request is received, FmHA will process the request at the conclusion of any existing advertised sale attempt, should no acceptable offers be received, unless the sale attempt is suspended by the Administrator.
9. After 36 months from the date of acquisition, unsold suitable property will be reclassified as surplus in accordance with Section 1955.63(a) of FmHA Instruction 1955-B. Upon request from an eligible Agency, such property will be transferred for conservation purposes without further attempts to sell it. The State Director may recommend to the Administrator an appropriate subdivision of the surplus property, and, if approved, may advertise the remaining portion to the general public.
10. If leaseback/buyback or homestead protection rights are exercised through a lease with option to purchase, but the applicant fails to exercise the option, the property will be processed as set forth in paragraphs 3 through 9.
11. Inventory properties which have not been previously evaluated by FWS will be processed as provided in paragraphs 1 through 7.

B. Submitting Requests for Transfers to the National Office.

Requests to the Administrator for authorization to transfer property must provide:

1. A written recommendation from the State Director to transfer the property to another Federal or State Agency, including documentation supporting the eligibility of both the property for transfer and the requesting Agency. The recommendation must include a copy of the recipient Agency's request and, if applicable, supporting documentation for the MAJOR importance determination.
2. A discussion of the potential impact of the proposed transfer on adjacent properties, the overall environment of the community, and the local economy.
3. A current market appraisal of the property.
4. An Agricultural Stabilization and Conservation Service aerial photo of the property or map, highlighting the

boundaries, and estimated number of acres of pasture, tillable acres, woodland, wetlands, floodplains, or other protected environmental resource(s).

5. A description of the types of agricultural enterprises and/or commodities produced during the last 3 years of the farm's operation.
6. Description of the property's location in relation to other farms in the area, population centers, wildlife refuges, other environmentally sensitive properties, etc.
7. If applicable, a description of how the property will be subdivided and the rationale for the subdivision.
8. A copy of the environmental impact analysis prepared in accordance with FmHA Instruction 1940-G.

C. Decisionmaking Authority.

Unless authorized by the Administrator, State Directors cannot approve transfers. By this AN, State Directors have the authority to deny transfers if they determine that either the property is not eligible for transfer under Section 1955.139(c) of FmHA Instruction 1955-C, or the transfer does not meet the definition of MAJOR under the provision of the Attachment to this AN. All other requests must be submitted to the Administrator within 30 days from receipt of the request and include the State Director's recommendation and supporting documentation.

When denying a request, the State Director will inform the requesting Agency in writing within 30 days from receipt of the request.

1. The requesting Agency may seek the Administrator's review of the decision by providing notice to the State Director within 30 days.
2. Until the Administrator's review is completed, no further disposition actions will be taken by FmHA.
3. If the requesting Agency asks for an Administrator's review, the correspondence is to be transmitted through the State Director.

Requests received prior to the expiration of leaseback/buyback and homestead protection rights should not be formally denied, but should be acknowledged and then handled under the provision of paragraph A, item 3.

The Administrator reserves the right to deny any transfer request meeting these guidelines when there are overriding concerns. The requesting Agency will be notified of FmHA's position.

Questions should be directed to Roger Witt, Farmer Programs Loan Servicing and Property Management Division, on FTS or 202-382-1984.



LA VERNE AUSMAN  
Administrator

Attachment

Sent by Time Delay Option to States at 3:00 pm on 7/18/90;  
to Districts at 3:30 pm on 7/18/90; and Counties at 3:30  
on 7/18/90 by ASD.

Inventory Property of Major Importance

In reviewing requests for transfers of inventory property or portions thereof to State or Federal Agencies, a property or portion of same will be of MAJOR importance if it meets any one of the following criteria.

A. Property that is eligible for transfer under the definition of environmentally sensitive:

1. Property is or would be so encumbered with a required conservation easement that further agricultural use is impractical; or
2. Property either (a) contains listed or proposed Federal/State critical habitat; (b) clearly supports Federal/State proposed or listed endangered or threatened species, or (c) property is specified in a recovery plan for a listed Federal/State endangered species; or
3. Property contains wetland(s) that (a) would qualify for acquisition under the FWS wetland assessment threshold criteria; and (b) is within an identified priority land acquisition area of the North American Waterfowl Management Plan; and (c) would be actively managed by the receiving Agency; or
4. Property is either within the boundaries of the Coastal Barrier Resources System or the National Wilderness Preservation System, or borders the watercourse of a designated or proposed area of the National Wild and Scenic Rivers System; or
5. Property is within the boundaries of an Environmental Protection Agency designated sole source aquifer recharge area and also has marginal value for agricultural production; or
6. Property contains an historic property of National Landmark status.

B. Property that is eligible for transfer under the definition of special management importance:

1. Property is an inholding, as verified by the requesting Agency, in either a State or Federally owned area or an area legally designated for acquisition by a State or Federal Agency (hereafter referred to as legally designated area); or
2. Property is adjacent to or in close proximity to a legally designated area, as verified by the requesting

Agency, and property is also either environmentally sensitive in its present resource state or marginal farmland; or

3. Property is adjacent to or in close proximity to a legally designated area and there are documentable problems with adjacent land uses, such as encroachment by development; or
4. Property provides unique opportunity for necessary ingress or egress to a legally designated area.

C. Property that is eligible for transfer under the definition of marginal value for agricultural production:

Property meeting only this criterion will normally not be considered for a priority transfer. However, if the requesting Agency demonstrates that the property can serve a significant conservation purpose, FmHA will consider transfer without an attempt to sell.